

VZCZCXRO7827
OO RUEHDBU RUEHFL RUEHKW RUEHLA RUEHROV RUEHSR
DE RUEHRO #0162/01 0250851
ZNY CCCCC ZZH
O 250851Z JAN 07
FM AMEMBASSY ROME
TO RUEHC/SECSTATE WASHDC IMMEDIATE 7016
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY
RUEHAM/AMEMBASSY AMMAN PRIORITY 0540
RUEHLB/AMEMBASSY BEIRUT PRIORITY 0266
RUEHBW/AMEMBASSY BELGRADE PRIORITY 0291
RUEHEG/AMEMBASSY CAIRO PRIORITY 0344
RUEHDM/AMEMBASSY DAMASCUS PRIORITY 0644
RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 0843
RUEHBUL/AMEMBASSY KABUL PRIORITY 0329
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 0924
RUEHFL/AMCONSUL FLORENCE PRIORITY 2095
RUEHJM/AMCONSUL JERUSALEM PRIORITY 0419
RUEHMIL/AMCONSUL MILAN PRIORITY 8257
RUEHNP/AMCONSUL NAPLES PRIORITY 2230
RHMFISS/HQ USEUCOM VAIHINGEN GE PRIORITY
RHMFISS/HQ USCENTCOM MACDILL AFB FL PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY
RUEKJCS/SECDEF WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0699
RHEHNSC/WHITE HOUSE NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 05 ROME 000162

SIPDIS

NOFORN
SIPDIS

E.O. 12958: DECL: 01/20/2017
TAGS: [PREL](#) [PGOV](#) [MOPS](#) [NATO](#) [IT](#)
SUBJECT: A/S FRIED DISCUSSES AFGHANISTAN, KOSOVO, MIDDLE
EAST WITH ITALIANS

ROME 00000162 001.2 OF 005

Classified By: Classified by Ronald P. Spogli, Ambassador, for reasons
1.4 (b) and (d).

Summary
- - - -

¶1. (C/NF) EUR A/S Daniel Fried discussed Afghanistan, Kosovo and the Middle East with GOI officials in January 10-11 meetings in Rome. (Fried meetings with PM Prodi and FM D'Alema reported septel) On the Middle East, Fried stated that the administration would focus significant attention on the region with the goal of a two-state solution to the Israel-Palestinian conflict by the end of this administration. MFA DG for Middle East Cesare Ragaglini urged the U.S. not to insist on the Roadmap's step-by-step approach, but rather move as quickly as possible toward a two-state solution. On Afghanistan, Fried said the U.S. wanted to use the upcoming NATO ministerial as a chance to push a unified military and political strategy forward in advance of an expected Taliban spring offensive. Fried asked the Italians to reduce caveats and consider additional contributions they can make to Afghanistan. MFA Afghanistan Office Director Anna Della Croce and MFA NATO Office Director Gianni Bardini said Italy would have difficulty altering their caveats and that it would also be difficult for Italy to increase its pledge of assistance so soon after the Riga summit.

¶2. (C/NF) On Kosovo, Fried outlined the U.S. goal of achieving a rapid solution with supervised independence and pledged continued U.S. engagement in the region. Additionally, he supported the idea of restarting Stabilization and Association Agreement (SAA) talks with Serbia. MFA Balkans Director Raimondo De Cardona told Fried that U.S. support for SAA for Serbia would be crucial in order to get other Contact Group and EU nations on board. He

asked for support during the January 17 Quint meeting in order to make an EU announcement during the February 13 GAERC meeting. On Iran, Fried urged quick action on Bank Sepah and hoped the international community could work together to combat proliferation activities. MFA DG for Political Affairs Giulio Terzi said that the EU Political Directors would meet to form a common position and adopt common measures. On Russia, Fried encouraged Italy to work with the EU to diversify supply and routes to avoid problems. Terzi agreed and said that Italy was losing time. Within 20 years the proportion of Europe's energy supplied by Russia could double. End Summary.

Middle East: Italians Urge Faster Progress

¶3. (C/NF) On January 10 A/S Fried met with MFA DG for Political Affairs Giulio Terzi, DG for Americas Claudio Bisogniero, DG for the Middle East Cesare Ragaglini, MFA NATO Office Director Gianni Bardini, MFA Balkans Office Director Raimondo De Cardona, MFA Afghanistan Office Director Anna Della Croce and MOD Diplomatic Advisor Achille Amerio to discuss the Middle East, Afghanistan, Kosovo and Iran.

¶4. (C/NF) A/S Fried noted that the administration wanted to push ahead with an ambitious foreign policy program that would focus heavily on the Middle East in its last two years. Its plans included a two-state solution to the Israel-Palestine issue before the end of the President's second term. The primary problem in achieving a two-state solution was the weakness of the Israeli PM and the miserable state of Palestinian politics. The U.S. recognized that this would be an uphill battle but was going to work with countries that supported progress, including those that were "responsible authoritarians" and resistant to change (Saudi

ROME 00000162 002.2 OF 005

Arabia and Egypt) as long as their participation was positive. The U.S. would continue to try to isolate the negative influence of Syria and Iran and their clients Hamas and Hizballah. Siniora had proven surprisingly resilient in the face of attacks from Hizballah and the U.S. hoped that the Paris conference would provide an additional opportunity to bolster him and diminish the influence of his detractors. The Secretary would travel to the region immediately after the President's Iraq speech to meet with regional leaders. She hoped to show support for Abbas in the short term and accelerate progress on the Roadmap in the long term.

¶5. (C/NF) Ragaglini said the international community should not insist on the stages prescribed by the Roadmap. A step-by-step approach meant that any party could use any provocation to prevent the process from proceeding to the next step. Instead, the Quartet needs to move as quickly as possible on as many issues as possible and press for direct Israeli - Palestinian final status talks to get to a two-state solution. Having weak governments was not necessarily negative since they were more susceptible to pressure. He and Fried agreed that the majority of Palestinians and Israelis understand what a two-state solution would involve, and there is 90 percent agreement on the substance of an accord. Remaining issues such as Jerusalem, refugees and borders could be worked out relatively quickly if a framework agreement were reached.

¶6. (C/NF) Ragaglini also argued in favor of engaging Hamas since they were likely to remain a significant political force for a long time to come. He said Israel made a serious mistake in freezing cooperation with Abu Mazen until Shlit is released. He added that the time to release prisoners to Abu Mazen is now or Hamas will get credit for releases following Shlit's liberation. In fact, the more the international community denigrated Hamas, the more popular they became. The increasing popularity of radicals in the region was another reason to move quickly. The international community needed to look for ways to strengthen Abu Mazen. He

recommended that Olmert release a significant number of prisoners to Abu Mazen to give himself more credibility, and that the Quartet be given a more active role.

17. (C/NF) A/S Fried countered that the problem with moving too quickly was that we needed to ensure that parties could live up to their commitments and the PA was ready to govern. Israel would insist on an end to rocket and terror attacks, points on which Abu Mazen was not strong enough to deliver. Hamas had to meet the conditions to be welcome at the table. Fried also cautioned against Europe using Israel as a "punching bag." The Gaza withdrawal was supposed to be the precedent for a well-run PA-governed territory. Instead it showed that the PA was too weak and divided to govern.

Afghanistan: More Commitment Needed

18. (C/NF) A/S Fried noted the need for NATO and other partners to defeat an expected Taliban spring offensive with their own offensive - both a military one that would decisively defeat the Taliban on the battlefield and a political initiative that would provide support for the Afghan government, increase anti-narcotics efforts, improve standards of living and encourage Pakistan do more showing the Afghans that the future did not belong to the Taliban but to the Afghan people. To set the groundwork for this offensive, the U.S. saw the upcoming NATO ministerial as a strategy session that would set a clear path forward for the allies and for Afghanistan. The U.S. would be encouraging countries to drop caveats that are limiting NATO's ability to defeat the Taliban and to set up a coordinated system of

ROME 00000162 003.2 OF 005

providing political and reconstruction assistance. The U.S. will be encouraging nations to talk about what they can do and what they can provide in assistance, not what they can't do. Additionally, the U.S. would be looking for a mechanism to coordinate assistance - either through a contact group or through the JCNB. From its side, the U.S. was not asking allies to provide unilaterally. The U.S. will increase funding for Afghanistan.

19. (C/NF) Terzi said the Italian Government's refunding of the Afghanistan mission was a near miracle and agreed that the international community needed to move ahead aggressively to strengthen Karzai's weak government and improve the relationship between the central government and the provinces. This was Italy's rationale for proposing a conference on Afghanistan. Italy already had some ideas on new initiatives that included increased assistance on Rule of Law issues that might include a 130-150 ESDP mission to train law enforcement officials. Bardini stated that the US position was music to his ears, however, the NATO meeting could unreasonably raise expectations for some kind of new breakthrough. The situation on the ground and in allied capitals had not changed significantly since the Riga Summit and it could be difficult to achieve new results. Della Croce noted that there was international consensus and support for the mission in Afghanistan. The GOI was submitting a funding request to the Parliament, in Feb. 2007, to cover the next 12 months of Italy's Afghanistan mission. The GOI would be prepared, therefore, to discuss their contributions at the conference. She added that Italy would fund and host a Rule of Law conference in April. Nevertheless, it might be difficult for Italy to pledge more support than what was already offered at Riga. Bardini and Amerio said the Italian political situation would make additional changes to the position taken on caveats at Riga highly unlikely - a lot of countries, Amerio said, gave all they could at Riga. Amerio hoped for a Jan 26 message focused more on political and reconstruction coordination and solidarity. Fried again urged them to make an effort to re-examine the caveats, and lead with what they could do, not what they couldn't.

110. (C/NF) A/S Fried stated that the US would not withdraw from KFOR or disengage from Kosovo after a status decision. Withdrawing from Kosovo would send the wrong signal to nationalists on both sides. The US hoped that a supervised independence decision on Kosovo would be done through a UNSC resolution that reflected Ahtisaari's recommendations, but if the Russians blocked a resolution, the U.S. believed the international community should be prepared to move forward without one. A/S Fried stressed that this would be the worst-case scenario - providing ample opportunities for Serbian and Kosovar Albanian efforts not to implement recommendations in the Ahtisaari report as a result of the ambiguity caused by recognition problems. Without a resolution the status of the international presence would be in doubt. The U.S. had already engaged Russia and sent a strong message that Kosovo should be decided for Kosovo's sake and not on the basis of leverage on other issues. A/S Fried encouraged the Italians to send a similar message - that NATO troops were in harm's way, not Russian troops, and that the Balkans were in Europe's backyard and the effects of instability would affect Europe, not Russia. Therefore, the U.S. and EU needed to work closely together to avoid having Russia exploit potential differences as it had on the Iran resolution.

111. (C/NF) After the status decision, the U.S. and EU needed

ROME 00000162 004.2 OF 005

to coordinate closely on recognition. The U.S. would recognize Kosovo only after it accepted and pledged to implement a UNSC resolution that included all the elements of Ahtisaari's proposal. The U.S. did not expect for all the conditions to be fulfilled immediately, however. Fried added that the U.S. envisioned a "truly European" Serbia which could be integrated into the EU. He supported granting Serbia SAA status soon as useful and well-timed. Fried also noted that the U.S. supports a timetable on UNSC discussions before the formation of a Serbian government in order to avoid parties from blaming any particular government and to avoid giving Serbs an excuse to indefinitely delay forming a government to avoid the inevitability of the decision. He also urged greater NATO-EU and US-EU consultations on this matter. In addition to Serbia, Albania needed to be closely watched as well. If elections in Albania threw the NATO option off track and the Kosovo decision (or lack thereof) occurred at the same time, it could create pressure for stronger Albanian nationalism.

112. (C/NF) Terzi was pleased to hear that the U.S. had no intention of leaving KFOR and saw the need for a UNSC resolution. He said the European countries needed to work through the EU and bilaterally to ensure Russia did not block a UNSC resolution. While Terzi joked that the U.S. was "not yet" an EU member, both he and De Cardona welcomed Fried's statement that the U.S. was supportive of SAA for Serbia. Both added that if the US expressed support for SAA during the January 17 Quint discussions in Washington, it could convince other Quint members to go along. They envisioned an SAA announcement on Serbia could be made as early as the 13 Feb GAERC. Terzi noted, however, that close coordination on recognition was crucial since many regional EU countries were concerned about the effects of an independent Kosovo without clear expectations on political and democratic development. He argued that the international presence needed to include the continuation of KFOR for a significant period coupled with an OHR-like implementation organization or institution.

Iran: Now is the Time to Implement UNSC Resolution

113. (C/NF) Terzi said he'd just come from inter-departmental meeting on 1737 implementation. He stated that there will be

a common decision by EU political directors in the next few days followed by the adoption of measures by EU. Meanwhile, GOI is looking at need to adopt new legislation to counter proliferation of finance activities by banks operating in Italy. Terzi said Bank of Italy would also circulate a follow-up notice to banks in the wake of the U.S. designation of Bank Sepah. Fried said that the U.S. will circulate our Executive Order as a follow up to the previous circular warning. Fried said that it was extremely important to follow up on resolution 1737 to maintain pressure on Iran, especially on the financial side. While the U.N.'s potential is not clear, the international community needs to work together to narrow opportunities for such proliferation activity. Fried hoped that Italy's legal system would be able to take quick action on Bank Sepah.

Russia: Still No Progress on Energy Security

¶14. (C/NF) Fried told Terzi that he had first raised with his European counterparts the issue of energy security and EU dependence on Russian energy over a year ago, and since then Russia's behavior had not improved. He again urged Italy to work to diversify energy sources and supplies - including supporting the development of southern corridor pipelines to transport oil and gas from the Caspian region without

ROME 00000162 005.2 OF 005

transiting Russia. Russia is trying to undermine that option by filling southern route pipelines with Russian oil and gas. The EU needed a community-wide approach since individual countries could not accomplish this alone. Fried added that this is something that NATO needed to address as well. Terzi agreed and said that Italy was losing time. In 20 years, the percentage of the EU's supply coming from Russia could double. While Europe was pushing for greater control of supplies, Italy couldn't be certain that any agreements made now would be honored by Russia in the future.

¶15. (U) This cable was cleared by A/S Fried.

SPOGLI